



Joint Work Plan for Partnering Opportunities

During the fall of 2002, both the City of Seattle and King County anticipated substantial revenue shortfalls for the 2003 fiscal year and beyond. The City estimated a \$60 million general fund gap between revenues and expenses for the 2003 and 2004 budgets, while the County estimated a \$52 million general fund deficit for 2003 and projected significant deficits in 2004 and 2005. In response to these forecasts, the Seattle City Council and Metropolitan King County Council adopted legislation requesting that the Office of City Auditor and King County Auditor's Office conduct a joint study to explore partnering opportunities for delivering local government services more efficiently. This study presents the results of our preliminary review, and identifies initial City and County operations that warrant further study to determine if potential service efficiencies and cost savings could be achieved through partnering arrangements.

Results in Brief

Based on a review of similar services performed by both King County and the City of Seattle, we identified, in order, five operations as the best candidates for initial in-depth studies to determine whether partnering arrangements could potentially achieve service efficiencies and cost savings. Further study of City and County operations in each service area will be needed to accurately assess the feasibility of partnering, estimate cost savings, and ascertain potential service improvements. The following describes the five City and County operations suggested for further study:

- **Records Storage**—Partnering may allow for more efficient use of records storage space, a possible reduction of overall storage space and storage costs, and improved organization and retrieval of records.
- **Printing, Duplicating and Graphic Design**—Partnering may allow for production efficiencies that could yield cost savings.
- **Mail Services**—Partnering may allow for economies of scale in bulk mail services and reduced postage costs.
- **Animal Control Services**—Partnering may potentially reduce operating costs and improve overall service levels.
- **Government Access Cable Television** (King County Civic Television and the Seattle Channel)—Partnering may allow the City and County to share technology, which might improve the availability and quality of government access television to the broader King County community.

For study purposes, we defined partnering as a collaborative or cooperative effort to make better use of City and County resources while maintaining or improving the level of services. This report does not envision an organizational merger or consolidation of agencies; rather, it identifies five areas in which the City and County might develop successful cooperative operational arrangements to better utilize local government resources and enhance services. Interlocal agreements, a form of partnering frequently used by the City and County, could be effective for institutionalizing partnerships in these service areas.

The City and County audit offices plan to conduct joint studies of the above operations in separate phases. During the first phase, one pilot study would be scheduled for completion by the end of 2003. City and County officials would then have an opportunity to review the results of the pilot study to determine the feasibility and desirability of continuing the partnering studies. The outcome of the progress review will determine whether to schedule studies of the remaining service areas.

Sequential scheduling of the studies ensures that future partnering reviews can be accomplished with existing resources budgeted for the Office of City Auditor and for the King County Auditor's Office in 2003. The decision to schedule work in 2004 and beyond will be made in the context of each office's overall annual work program and budget.

Scope and Methodology

For study purposes, we developed a definition of "partnering." Implicit in our partnering definition is the notion that City and County agencies could provide

services collaboratively in a variety of ways. Our definition of partnering is as follows:

Partnering is a collaborative or cooperative effort to make better use of City and County resources while maintaining or improving the level of services.

Applying this working definition of partnering, City and County audit staff performed the following activities:

1. Established selection criteria.
2. Gathered budget and operations information.
3. Determined whether partnering might yield service improvements and cost savings.
4. Performed a literature review.
5. Developed work plan for future in-depth studies.
6. Scheduled City and County Councils' progress review.

These activities culminated in the identification and preliminary review of five comparable City and County operations. Future review and analytical efforts will explore the extent of service efficiencies and cost savings that could realistically be achieved through partnering arrangements. Partnering may yield cost savings in both the delivery and purchase of services in City and County agencies that either perform or acquire these services.

Selection Criteria

Based on research of partnering literature, we developed eight criteria for the selection of City and County operations that merited further review and analysis. The partnering criteria are:

1. Potential cost savings and/or service improvements.
2. Opportunity for analysis.
3. Similar City and County services and operations.
4. Manageable fiscal magnitude and breadth of operation.
5. Interest among elected officials and managers.
6. Potential for effective implementation.
7. Compatible data management systems.
8. Possibility of maintaining or increasing service levels.

We excluded from further review charter-mandated operations and those functions governed by dissimilar laws and policies. Operations with highly dissimilar or no comparable functions and those with some likelihood

of decreased service levels were also excluded from further review. Operations that were too large and complex to analyze and those with low or no potential for cost savings or service improvements were also eliminated from further consideration. We also considered unique factors, such as liability, confidentiality, risk, and asset protection in excluding some City and County operations from further review.

Consideration of the eight criteria led to the selection of five operations for further review. As noted earlier, these five operations are: (1) records storage; (2) printing, duplicating and graphic design; (3) mail services; (4) animal control services; and (5) government access cable television.

Partnering Work Plan and Overview of Selected Operations

Consistent with the legislation adopted by the City and County Councils, we developed a work plan for in-depth reviews of the select City and County operations. In these studies we will more fully assess the feasibility of partnering arrangements, evaluate methods to improve services, and estimate cost savings. We will also address contracting arrangements between the City and County—such as interlocal (intergovernmental) agreements—that could be effective for institutionalizing new partnerships. The exhibit below displays the proposed work plan and timelines for our studies.

WORK PLAN FOR PROPOSED STUDIES			
Study	Subject	Completion Date	Est. FTE Staff
Pilot	Records Storage	Dec. 2003	0.5
Progress Review by Councils and Auditors			
#2	Printing, Duplicating & Graphic Design	Determined by Council Action	Recommended by Auditors
#3	Mail Services	Determined by Council Action	Recommended by Auditors
#4	Animal Control	Determined by Council Action	Recommended by Auditors
#5	Government Access Cable TV	Determined by Council Action	Recommended by Auditors